

Message Text

LIMITED OFFICIAL USE

PAGE 01 ANKARA 03942 01 OF 02 241208Z

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 NRC-05 /146 W
-----099701 241302Z /46

R 241059Z MAY 78

FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 2049
INFO AMCONSUL ADANA
AMEMBASSY ATHENS
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY MOSCOW
AMEMBASSY NICOSIA
AMEMBASSY PARIS
CINCUSA
USCINCEUR
USDOCOLANDSOUTHEAST IZMIR
USDOCOSOUTH NAPLES
USMISSION GENEVA
USMISSION USNATO

LIMITED OFFICIAL USE SECTION 1 OF 2 ANKARA 3942

USOECD

USEEC

E.O. 11652 N/A

TAGS: EAID, ETRD, TU, UR

SUBJ: PROTOCOL PUBLISHED AFTER SECOND MEETING OF TURKISH-SOVIET JOINT ECONOMIC COOPERATION COMMITTEE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ANKARA 03942 01 OF 02 241208Z

REF: (A) 77 ANKARA 9397
(B) 77 ANKARA A-78
(C) ANKARA 2950
(D) 76 ANKARA 9708

SUMMARY. GOT HAS APPROVED AND PUBLISHED THE PROTOCOL

AGREED TO AT THE SECOND MEETING OF THE TURKISH-SOVIET JOINT ECONOMIC COOPERATION COMMITTEE, HELD IN ANKARA DECEMBER 21-27, 1977, DURING FINAL DAYS OF PRIME MINISTER DEMIREL'S SECOND COALITION GOVERNMENT. EMPHASIS ON ECONOMIC COOPERATION HAS SHIFTED FROM CONSTRUCTION OF NUMEROUS EXTRAVAGANT PROJECTS TO OPERATING EXISTING JOINT ONES NEAR CAPACITY LEVELS. ONLY SIGNIFICANT PROGRESS ON TURKEY'S "WISH LIST" OF 25 PROJECTS IS SOVIET COMPLETION OF FEASIBILITY STUDIES FOR DOUBLING CAPACITY OF SEYDISEHIR ALUMINUM WORKS AND CONSTRUCTION OF RELATED THERMAL POWER STATION IN ORHANELIM AS USUAL, PROTOCOL DOES NOT INDICATE CREDITS AVAILABLE FOR PROJECTS, LEAVING THIS MATTER FOR SEPARATE UGREGMENTS. WHETHER OR NOT ADDITIONAL SOVIET HELP WITH DEVELOPMENT PROJECTS BECOMES AVAILABLE TO TURKEY COULD POSSIBLY DEPEND ON OUTCOME OF PRIME MINISTER ECEVIT'S VISITS TO MOSCOW IN JUNE. TEXT OF PROTOCOL IS BEING POUCHED TO EUR/SE. END SUMMARY.

1. APPROVED BY TURKEY'S COUNCIL OF MINISTERS ON FEBRUARY 28, 1978, THE PROTOCOL DEVELOPED AT SECOND MEETING OF THE TURKISH-SOVIET JOINT ECOMOMIC COOPERA-TION COMMITTEE DECEMBER 21-27, 1977, WAS PUBLISHED IN TURKISH AND RUSSIAN LANGUAGES IN THE OFFICIAL GAZETTE OF APRIL 17, 1978. THE TURKISH-SOVIET JOINT ECONOMIC COOPERATION COMMITTEE WAS ESTABLISHED UNDER THE ECONOMIC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ANKARA 03942 01 OF 02 241208Z

COOPERATION AGREEMENT OF JULY 9, 1975. TURKISH DELEGATION ON THE COMMITTEE WAS HEADED BY SELAHATTIN KILIC, WHO WAS MINISTER OF PUBLIC WORKS AT THE TIME. SOVIET DELEGATION WAS HEADED BY S.A. SKACHKOV, CHAIRMAN OF THE SOVIET STATE COMMITTEE ON FOREIGN ECONOMIC RELATIONS. SEVEN GOT MINISTRIES AND EIGHT STATE ECONOMIC ENTERPRISES WERE REPRESENTED IN TURKISH DELEGATION.

2. ONLY IMPORTANT ACHIEVEMENTS MENTIONED IN PROTOCOL QERE COMPLETION BY SOVIET UNION OF FEASIBILITY STUDIES FOR CONSTRUCTION OF A 200,000 KW THERMAL POWER STATION IN ORHANELI AND FOR EXPANSION OF THE CAPACITY OF THE SEYDISEHIR ALUMINUM WORKS TO AT LEAST TWICE CURRENT LEVELS. SOVIETS AND TURKS AGREED TO DO THEIR BEST TO SEE THAT THE SEYDISEHIR PLANT RECEIVED AN ADEQUATE SUPPLY OF RAW MATERIALS AND ENERGY TO OPRATE AT ITS CURRENT CAPACITY. HOWEVER, THE USSR STATED THAT IT COULD NOT POSSIBLY SUPPLY BOILER EQUIPMENT FOR THE THERMAL POWER PLANT.

3. TURKS AND SOVIETS AGREED TO DO FEASIBILITY STUDY ON EXPANSION AND PARTIAL MODERNIZATION OF THE ISKENDERUN

IRON AND STEEL PLANT, THE OPERATION OF WHICH THEY AGREED TO TRY TO KEEP NEAR CAPACITY LEVELS. EXPANSION WOULD INCREASE CAPACITY FROM FOUR TO SIX MILLION TONS OF STEEL PER YEAR. MODERNIZATION WOULD DECREASE COKE INPUT AND INCREASE PIG IRON OUTPUT. PROTOCOL ALSO PROVIDES FOR ESTABLISHMENT OF A TRAINING CENTER AT ISKENDERUN IRON AND STEEL PLANT.

4. THE TWO SIDES AGREED TO PREPARE A DETAILED REPORT CONCERNING THE EXPANSION OF THE ALIAGA PETROLEUM REFINERY FROM FIVE TO TEN MILLION TONS PER YEAR AND THEY AGREED IN PRINCIPLE TO COOPERATE IN CONSTRUCTION OF ANOTHER REFINERY NEAR THE BLACK SEA.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 ANKARA 03942 01 OF 02 241208Z

5. PROTOCOL EXPRESSED TURKISH AND SOVIET SATISFACTION WITH PROGRESS IN CONSTRUCTION OF DAM ON ARPACAY RIVER AND ELECTRIC POWER TRANSMISSION LINE BETWEEN HOPA, TURKEY, AND BATUM, USSR. THEY AGREED TO DO EVERYTHING POSSIBLE TO SEE THAT POWER LINE IS COMPLETED ON SCHEDULE BY MID-1978; USSR EXPRESSED WILLINGNESS TO CONSIDER INCREASING THE AMOUNT OF ELECTRICITY THAT IT WILL TRANSMIT TO TURKEY THROUGH THE LINE.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 ANKARA 03942 02 OF 02 241214Z

ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 NRC-05 /146 W
-----099765 241301Z /46

R 241059Z MAY 78

FM AMEMBASSY ANKARA
TO SECSTATE WASHDC 2050

INFO AMCONSUL ADANA
AMEMBASSY ATHENS
AMEMBASSY BONN

AMEMBASSY BRUSSELS
AMCONSUL ISTANBUL
AMCONSUL IZMIR
AMEMBASSY MOSCOW
AMEMBASSY NICOSIA
AMEMBASSY PARIS
CINCUSA
USCINCEUR
USDOCOLANDSOUTHEAST IZMIR
USDOCOSOUTH NAPLES
USMISSION GENEVA
USMISSION USNATO

LIMITED OFFICIAL USE SECTION 2 OF 2 ANKARA 3942

6. USSR AGREED TO COOPERATE ON OR AT LEAST STUDY FEASIBILITY OF FIVE PROJECTS PROPOSED A YEAR EARLIER BY GOT: (1) HYDROGEN PEROXIDE FACTORY, (2) TWO ELECTROMECHANICAL EQUIPMENT FACTORIES, (3) AGRICULTURAL CHEMICAL FACTORY, (4) CONVEYOR SYSTEMS AT CAN AND ORHANELI FROM LIGNITE BEDS TO PLANNED THERMAL POWER PLANTS, AND (5) AN IRON ORE MINE, FOR WHICH USSR HAS REQUESTED SAMPLES OF ORE FROM HASANCELEBI, TURKEY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 ANKARA 03942 02 OF 02 241214Z

7. FEASIBILITY STUDIES CONTINUE ON SIX TYPES OF PROJECTS: (1) LIGNITE MINES, (2) PEAT (FUEL) WORKS, (3) HYDRO-ELECTRIC STATIONS, (4) NITROGEN FERTILIZER FACTORIES, (5) WROUGHT IRON FOUNDRY AND PRESS, AS WELL AS (6) SEVERAL OTHER THERMAL POWER PLANTS. ALL OF THESE PROJECTS HAD BEEN APPROVED PREVIOUSLY, EXCEPT THAT GOT PROPOSED CONSTRUCTION OF TWO MORE FERTILIZER FACTORIES THAN AGREED TO A YEAR EARLIER.

8. PROTOCOL AIMS AT DEVELOPMENT OF COMMERCIAL RELATIONS AND SOLUTION OF TURKEY'S PAYMENTS DIFFICULTIES UNDER THE BILATERAL CLEARING ARRANGEMENT. AGREEMENT PLANS DIVERSIFICATION OF PRODUCTS TRADED, AS WAS SUBSEQUENTLY CONFIRMED BY THE 1978 TRADE PROTOCOL (REF C). IN PARTICULAR, THE COOPERATION AGREEMENT CALLS FOR TURKISH IMPORTATION OF SOVIET HIGHWAY MACHINERY AND EQUIPMENT, YAK-40 AIRPLANES, HELICOPTERS FOR PESTICIDE SPRAYING, AND EQUIPMENT FOR THE REFINERY IN ALIAGA AND THAT WHICH IS PROPOSED FOR THE BLACK SEA COAST.

9. ECONOMIC COOPERATION COMMITTEE'S THIRD MEETING IS SCHEDULED TO BE HELD IN MOSCOW DURING SECOND HALF OF 1978. THE AGENDA, AS FOR ITS SECOND MEETING, PRIMARILY

PROVIDES FOR DISCUSSION OF IMPLEMENTATION OF ECONOMIC COOPERATION PREVIOUSLY AGREED UPON.

10. COMMENT: BY DECEMBER 27, 1977, WHEN PROTOCOL WAS INITIALLED, EMPHASIS OF TURKISH-SOVIET ECONOMIC COOPERATION HAD ALREADY SHIFTED FROM PLANNING NUMEROUS EXTRAVAGANT PROJECTS TO ASSURING THAT EXISTING JOINT PROJECTS RECEIVE ADEQUATE ENERGY AND RAW MATERIALS TO OPERATE NEAR CAPACITY LEVELS. OUT OF THE SHOPPING LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 ANKARA 03942 02 OF 02 241214Z

LIST OF SOME 25 PROJECTS REQUESTED BY GOT AT THE FIRST MEETING OF THE JOINT ECONOMIC COOPERATION COMMITTEE A YEAR EARLIER, THE USSR RESPONDED DEFINITIVELY ON ONLY TWO PROJECTS: DOUBLING THE CAPACITY OF THE SEYDISEHIR ALUMINUM WORKS AND CONSTRUCTION OF A THERMAL POWER STATION IN ORHANELI. MOREOVER, THESE SOVIET APPROVALS CONSISTED MERELY OF COMPLETING FEASIBILITY STUDIES ON THE TWO PROJECTS. VALUED AT \$50 MILLION, THE SEYDISEHIR EXPANSION WAS SCHEDULED TO BEGIN IN 1977, BUT THE LATEST PROTOCOL DOES NOT EVEN HAZARD TO ESTIMATE WHEN IT WILL BEGIN AND A MEMBER OF THE TURKISH DELEGATION EXPLAINED TO EMBOFF THAT SEYDISEHIR ALUMINUM WORKS WILL BE EXPANDED IN CONJUNCTION WITH CONSTRUCTION OF ORHANELI POWER STATION. EMBASSY NOTES THAT SEYDISEHIR HAS BEEN OPERATING AT ONLY ONE-HALF OF ITS EXISTING CAPACITY SINCE NOVEMBER 1977, DUE TO ELECTRICITY SHORTAGE. THIS IS BELIEVED TO BE TYPICAL OF TURKISH INDUSTRY'S CAPACITY UTILIZATION DUE TO SHORTAGE OF ENERGY OR RAW MATERIALS. MOREOVER, ORHANELI WILL NOT BE ABLE TO PROVIDE POWER FOR SEYDISEHIR UNTIL 1981 AT EARLIEST.

1. MOST NOVEL PART OF PROTOCOL IS COMMITMENT OF BOTH TURKS AND SOVIETS TO DO THEIR BEST TO ASSURE THAT ISKENDERUN IRON AND STEEL PLANT AND SEYDISEHIR ALUMINUM WORKS OPERATE AS NEAR AS POSSIBLY TO CAPACITY LEVELS. REMAINDER OF PROTOCOL CONSISTS OF STATUS REPORT CONCERNING STAGES REACHED BY FEASIBILITY STUDIES ON OTHER 23 PROJECTS REQUESTED BY GOT. ONLY SIGNIFICANT CHANGE IN PROJECTS UNDER STUDY IS DECREASE IN PROPOSED EXPANSION OF ISKENDERUN FROM ANNUAL CAPACITY 6.6 MILLION TONS OF STEEL PLANNED A YEAR EARLIER TO LEVEL OF 6 MILLION TONS UNDER CURRENT PROPOSAL. ONLY NEW PROJECTS PROPOSED BY TURKEY ARE TWO SYNTHETIC FERTILIZER FACTORIES, IN ADDITION TO THE ONE REQUESTED LAST YEAR.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 ANKARA 03942 02 OF 02 241214Z

12. THE SOVIET UNION COULD BE HOLDING OUT AID FOR OTHER PROJECTS AS A LURE TO PERSUADE PRIME MINISTER ECEVIT TO SIGN A "POLITICAL DOCUMENT" DURING HIS VISIT TO MOSCOW IN JUNE. THE GOT AGREED IN A JOINT COMMUNIQUE ISSUED AT THE CONCLUSION OF KOSYGIN'S VISIT TO TURKEY IN DECEMBER 1975 TO SIGN A DOCUMENT OF THIS TYPE DURING A FUTURE HIGH-LEVEL VISIT. ECEVIT SAID IN AN ASSOCIATED PRESS INTERVIEW ON MAY 23 THAT HE MAY SIGN SUCH AN AGREEMENT.

13. THE PROTOCOL PROVIDES NO SUBSTANTIATION FOR THE CLAIM OF THE TURKISH DELEGATION LEADER REPORTED IN TURKISH PRESS LAST DECEMBER THAT THE SOVIETS HAVE TAKEN FIRST PLACE IN ECONOMIC AID TO TURKEY (SEE REF A). TURKISH PRESS REPORTS OF MASSIVE AID (\$10 BILLION) INCLUDE COST OF TURKEY'S ENTIRE "WISH LIST", THE VAST MAJORITY OF WHICH WAS POSTPONED FOR "FURTHER STUDY". EMBASSY KNOWS OF NO SOVIET AID OR CREDITS TO TURKEY SINCE \$650 MILLION PROVIDED IN 1975, EXCEPT FOR TURKEY'S UNSETTLED TRADE DEFICITS WITH THE SOVIET UNION IN 1976 AND 1977 (\$8 MILLION AND \$1.6 MILLION, RESPECTIVELY). EMBASSY WILL SEEK FURTHER COMMENT FROM GOT UPON TURKISH-SOVIET ECONOMIC COOPERATION, BUT RESPONSIBLE OFFICIALS ARE CURRENTLY UNWILLING TO COMMENT.

14. TURKISH AND RUSSIAN TEXTS TO PROTOCOL ARE BEING POUCED TO EUR/SE: EDWARD MARCOTT. DILLON

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, AGREEMENTS, PUBLICATIONS, COMMITTEE MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ANKARA03942
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780218-1073
Format: TEL
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780526/aaaaavpc.tel
Line Count: 307
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8474c397-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 ANKARA 9397, 77 ANKARA A-78, 78 ANKARA 2950, 76 ANKARA 9708
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2595109
Secure: OPEN
Status: NATIVE
Subject: PROTOCOL PUBLISHED AFTER SECOND MEETING OF TURKISH- SOVIET JOINT ECONOMIC COOPERATION COMMITTEE LIMITED OFFICIAL USE
TAGS: EAID, ETRD, TU, UR
To: STATE USOEC
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/8474c397-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014